

**KS BANCORP, INC**  
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**PRESS RELEASE**

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**KS Bancorp, Inc. (KSBI) Announces Third Quarter 2024 Financial Results and Cash Dividend**

Smithfield, NC—(ACCESSWIRE) October 25, 2024, KS Bancorp, Inc. (the “Company”) (OTCBB: KSBI), parent company of KS Bank, Inc. (the “Bank”), announced unaudited results for the third quarter of 2024 and cash dividend.

The Company reported net income of \$1.5 million or \$1.32 per diluted share for the three months ended September 30, 2024, compared to net income of \$1.4 million or \$1.29 per diluted share for the three months ended September 30, 2023.

Net interest income before the provision for credit losses for the three months ended September 30, 2024 was \$5.5 million, compared to \$5.0 million at September 30, 2023. Non-interest income for the three months ended September 30, 2024, was \$881,000, compared to \$812,000 for the comparable period ended September 30, 2023. Non-interest expense was \$4.2 million for the three months ended September 30, 2024, compared to \$3.8 million in the comparable period in 2023.

For the nine months ending September 30, 2024, there was a 5.1% increase in the net interest income before the provision for credit losses. On September 30, 2024, it was \$16.0 million, compared to \$15.3 million for the nine months ending September 30, 2023. Non-interest income was \$2.6 million for the nine months ending September 30, 2024, compared to \$2.4 million for the same period ended September 30, 2023. The increase is primarily attributable to the continued growth of the Wealth and Trust Services. For the nine months ended September 30, 2024, non-interest expenses were \$12.3 million, compared to \$11.4 million for the same period ending September 30, 2023.

The Company’s unaudited consolidated total assets increased 11.9% or \$72.9 million to \$686.5 million on September 30, 2024, compared to \$613.6 million on December 31, 2023. Net loan balances increased 9.5% or \$45.0 million to \$517.9 million on September 30, 2024, compared to \$472.9 million on December 31, 2023. The Company’s investment securities totaled \$101.2 million on September 30, 2024, compared to \$98.0 million on December 31, 2023. Total deposits increased 14.3% or \$78.2 million to \$623.2 million on September 30, 2024, compared to \$545.0 million on December 31, 2023. The increase in deposits included a \$71.7 million increase or 14.3% in core deposits. For the nine months ended September 30, 2024, short-term borrowings decreased \$12.0 million. Total stockholders’ equity increased \$6.1 million to \$46.6 million on September 30, 2024, from \$40.5 million on December 31, 2023. The increase in stockholder’s equity is primarily attributable to the change in accumulated other comprehensive income of \$2.4 million and the increase in retained earnings of \$3.7 million.

On September 30, 2024, nonperforming assets consisted of nonaccrual loans of \$603,000, representing less than 0.10% of the Company’s total assets. No foreclosed real estate was owned on September 30, 2024. The allowance for credit losses on September 30, 2024, totaled \$4.2 million, or 0.81% of total loans.

Commenting on the third quarter results, Earl W. Worley, Jr., President and CEO of the Company, stated, “We're proud of the strong growth KS Bank has achieved during the third quarter and throughout the first nine months of 2024. Year-to-date, our total assets have grown by 11.9% to \$686.5 million, and loan balances have increased by 9.5%, or \$45 million, since the start of the year. Additionally, deposits have risen by 14.3%, with core deposits contributing significantly to this growth. This consistent performance across the year reflects the trust our customers place in us, and positions us well to continue supporting the communities we serve through these changing economic conditions.”

Worley continued, “As we approach the end of 2024, our focus is on carefully managing the impact of potential interest rate changes. While we are encouraged by our strong year-to-date performance, we recognize that the Federal Reserve's next moves will influence our margins and lending environment. Our goal is to remain agile, ensuring we continue to deliver value to our shareholders while navigating the challenges ahead.”

In addition, the Company announced today that its Board of Directors has declared a quarterly dividend of \$0.26 per share for stockholders of record as of November 4, with payment to be made on November 14, 2024.

KS Bank continues to be well capitalized according to regulatory standards, with a Community Bank Leverage Ratio of 9.28% on September 30, 2024, compared to 9.67% on December 31, 2023.

KS Bancorp, Inc. is a Smithfield, North Carolina-based single-bank holding company. KS Bank, Inc., a state-chartered savings bank, is KS Bancorp's sole subsidiary. The Bank is a full-service community bank that has served the citizens of eastern North Carolina since 1924. The Bank offers a broad range of personal and business banking products and services, as well as mortgage and trust services. Ten full-service branches are located in Kenly, Selma, Clayton, Garner, Goldsboro, Wilson, Wendell, Smithfield, Four Oaks, and Dunn, North Carolina. For more information, visit [www.ksbankinc.com](http://www.ksbankinc.com).

*This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of the Company and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of words like “expect,” “anticipate,” “estimate” and “believe,” variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. The Company undertakes no obligation to update any forward-looking statements.*

**KS Bancorp, Inc. and Subsidiary**  
**Consolidated Statements of Financial Condition**

	September 30, 2024 (unaudited)	December 31, 2023*
(Dollars in thousands)		
<b>ASSETS</b>		
Cash and due from banks:		
Interest-earning	\$ 37,396	\$ 15,962
Noninterest-earning	5,547	2,983
Time Deposit	513	500
Investment securities available for sale, at fair value	101,154	98,047
Federal Home Loan Bank stock, at cost	469	978
Loans	522,140	476,679
Less allowance for loan losses	(4,212)	(3,766)
Net loans	517,928	472,913
Accrued interest receivable	2,566	2,389
Property and equipment, net	13,118	11,050
Other assets	7,812	8,774
Total assets	\$ 686,503	\$ 613,596
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities		
Deposits	\$ 623,226	\$ 545,038
Short-term borrowings	-	12,000
Long-term borrowings	11,248	11,248
Accrued interest payable	317	432
Accrued expenses and other liabilities	5,132	4,401
Total liabilities	639,923	573,119
Stockholder's Equity:		
Preferred stock, no par value, 500,000 shares authorized; none issued and outstanding		
Common stock, no par value, 3,500,000 shares authorized; 1,107,776 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	1,359	1,359
Retained earnings, substantially restricted	51,310	47,659
Accumulated other comprehensive Income	(6,089)	(8,541)
Total stockholders' equity	46,580	40,477
Total liabilities and stockholders' equity	\$ 686,503	\$ 613,596

\* Derived from audited financial statements

**KS Bancorp, Inc and Subsidiary**  
**Consolidated Statements of Income (Unaudited)**

	Three Months Ended		Nine Months Ended	
	30-Sep		30-Sep	
	2024	2023	2024	2023
	(In thousands, except per share data)			
<b>Interest and dividend income:</b>				
Loans	\$ 8,283	\$ 6,615	\$ 23,520	\$ 18,653
Investment securities				
Taxable	561	484	1,574	1,445
Tax-exempt	185	203	589	612
Dividends	6	5	18	15
Interest-bearing deposits	325	271	722	814
Total interest and dividend income	9,360	7,578	\$ 26,423	21,539
<b>Interest expense:</b>				
Deposits	3,690	2,395	9,628	5,713
Borrowings	185	187	750	565
Total interest expense	3,875	2,582	10,378	6,278
Net interest income	5,485	4,996	16,045	15,261
Provision for loan losses	171	180	454	290
Net interest income after provision for loan losses	5,314	4,816	15,591	14,971
<b>Noninterest income:</b>				
Service charges on deposit accounts	340	330	974	985
Fees from trust services	372	312	1,023	894
Other income	169	170	576	500
Total noninterest income	881	812	2,573	2,379
<b>Noninterest expenses:</b>				
Compensation and benefits	2,532	2,374	7,547	7,096
Occupancy and equipment	631	553	1,784	1,591
Data processing & outside service fees	253	220	732	633
Advertising	62	63	172	178
Other	706	622	2,060	1,899
Total noninterest expenses	4,184	3,832	12,295	11,397
Income before income taxes	2,011	1,796	5,869	5,953
Income tax	550	365	1,365	1,244
Net income	\$ 1,461	\$ 1,431	\$ 4,504	\$ 4,709
Basic and Diluted earnings per share	\$ 1.32	\$ 1.29	\$ 4.07	\$ 4.25